

COMMON SENSE FUNDING FOR OUR SCHOOL CONSTRUCTION NEEDS

By Councilmember Tom Perez

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The County budget picture is bleak. Over the next four weeks, the County Council will be separating “wants” from “needs.” We will balance our needs -- in areas such as public safety, education for our kids, and a safety net for our most vulnerable residents -- with our available resources.

In previous years, the Council was able to meet our expanding challenges in the County while still reducing taxes on County families. In fact, over the past eight years, the Council has initiated over 80 percent of the roughly \$200 million in tax relief. But times have changed and nothing illustrates that so much as the present Operating Budget situation – which will require cuts in critical programs and increased taxes.

The state budget already gives us \$34 million less than projected in the County Executive’s budget – with more cuts to follow if Governor Ehrlich keeps his vow to veto \$135 million in new state taxes on HMOs and revenue from the closing of corporate tax loopholes.

The Capital Budget – what we spend to build things – is in even sadder shape. Already school modernizations have been delayed, endangering the progress the Council has made in reducing class sizes and putting into doubt any further expansion of full-day kindergarten.

As recently as two years ago, the County received \$51 million in state aid for school construction. This year, we hoped for \$18 million and will probably end up with no more than \$6 million. And the County Executive is proposing to “borrow” \$22 million in recordation tax revenues set-aside for school construction to use in “balancing” his Operating Budget. Since next year’s budget is expected to be more of

a problem than this year's, I have difficulty seeing how the County Executive will be able to pay this money back.

Don't take my word for our schools' capital needs. Just pay a visit to Kensington Parkwood Elementary School, to name one school in need out of many. The boiler is a post-war relic – and I'm not talking post- Gulf War or post-Vietnam War either. The bathrooms put even the grim memories of boomers' school days to shame. And there's much more. According to the county's own inspectors, it is one of the most run-down schools in the county. Still, the modernization has already been put off for several years and is threatened again by our current capital crisis.

Whether business or government or homeowner, we all understand the need to invest in our infrastructure. A leaky roof will get the best of even the most effective "band-aid" sooner or later – and the consequences, financial and otherwise, can be a disaster. It's not enough to invest in great programs and talented teachers if an aging infrastructure is coming down around our students' ears.

That's why I have introduced a measure in the County Council that would establish a Development Impact Tax dedicated solely to school construction. Revenues from our current, inadequate impact tax go exclusively to transportation.

As we all know, development has a big impact on our schools and on our traffic congestion problem. Still, most of our surrounding counties with impact taxes direct them toward education – since development is a significant factor in school overcrowding.

My bill would establish a new development impact tax on developers of all new residential development. My plan exempts affordable housing, housing for seniors, and housing for people with disabilities. Development most likely to impact school populations, such as detached single-family homes, will pay the most.

This measure would raise \$10.5 million per year for school construction when fully implemented. The total amount of the two impact taxes will still be less than similar levies in Frederick, Prince George's, and Charles counties. In other words, developers in

Montgomery County currently pay among the least in impact taxes to offset the effects of their development. This would put the County in the middle of the pack.

In the current budget environment, everybody will have to bear their fair share. The County Executive has already asked residents to absorb a County income tax hike, and I support his proposal because we simply have no choice. Governor Ehrlich has signed off on a five-cent per \$100 assessed value property tax increase. Energy and phone tax increases are on the table.

Other community stakeholders also must step up to the plate. Developers have a role to play in offsetting some portion of the costs of their development on our schools, and my proposal would make sure they do. I'm heartened that the Board of Education has endorsed this bill and so too have many parents and other advocates for our public schools. It just makes sense.

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Tom Perez represents District 5 (Wheaton, Kensington, Takoma Park, and parts of Silver Spring) on the County Council.